



## Press Release

### DLF Brands Private Limited

Feb 07, 2022

#### Rating:

Facilities	Amount (INR Crore)	Current Ratings	Rating Action	Complexity Indicator
Bank Facility – Long Term	20.00	IVR BB+(CE)/ INC (IVR Double B Plus Credit Enhanced; Issuer Not Co- operating) & Unsupported: IVR B- (IVR Single B minus; Issuer Not Co- operating)	Rating downgraded from IVR BBB(CE)/ Stable Outlook(IVR Triple B (Credit Enhanced) with Stable Outlook ) Unsupported: IVR B/Credit Watch with Developing Implications (IVR Single B with Credit Watch with Developing Implications) and moved to ISSUER NOT COOPERATING	Simple
<b>Total</b>	<b>20.00</b> <b>(Twenty crore only)</b>			

*\*Issuer did not cooperate; based on best available information*

#### Details of Facility are in Annexure 1

##### Detailed Rationale

The rating downgrade is because of lack of adequate information regarding DLF Brands Private Limited performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

##### Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated Nov 13,2021, Nov 24,2021, Dec 20,2021, Dec 30,2021, Jan 06,2022 , Jan 12, 2022 , Jan 21 , 2022 & Jan 29,2021 and concurrently over several phone calls. However, despite repeated requests by



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Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long rating for the bank loan facilities aggregating to INR 20.00 Crore of DLF Brands Private Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+(CE)/ INC (IVR Double B Plus (Credit Enhanced) (INC) backed by rated facilities primarily secured against unconditional and irrevocable corporate guarantee of DLF Limited. & Unsupported: IVR B-: Issuer Not Co-operating based on best available information (Single B minus; Issuer Not Co-operating); based on best available information.

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

**Analytical Approach:** Consolidated

### **Applicable Criteria**

Financial Ratios & Interpretation (Non-Financial Sector)

Rating Methodology for Service/ Trading Companies

Guidelines on what constitutes Non-Cooperation by clients

### **About the Company**

DLF Brands Private Ltd, a premier player in the Indian retail sector came into existence in 2006. One of the main objectives of the company is to trade and compete in India through retail formats by way of setting up, establishing, developing, managing, organizing or otherwise, mega stores/discount stores, hyper markets, supermarkets, shopping malls, specialty stores. The organisation currently operates prominent names like Disney & Me, PURE Home + Living, Lens Crafters' under its brand umbrella.

The name of DBPL was changed to DLF Retail Brands Private Limited in 2007, further changed it's name to DLF Brands Limited and changed of the company from private limited to public limited in 2009. The company consequently changed from public limited to private limited company on October 4, 2018.

### **Financials (Consolidated)**

**(INR Crore)**

For the year ended*/As on	31-03-2019	31-03-2020
	Audited	Audited



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Total Operating Income	215.35	199.91
EBITDA	(52.53)	-9.00
PAT	117.32	(20.59)
Total Debt	87.17	81.73
Tangible Net Worth	15.7	(6.7)
Adjusted Tangible Net Worth <sup>^</sup>	12.8	(7.1)
EBITDA Margin (%)	(24.39)	(4.50)
PAT Margin (%)	27.24	(9.55)
Overall Gearing Ratio (x)	6.81	(11.46)

<sup>^</sup> Investment in subsidiary/group companies have been considered while calculating adjusted net worth.

\* Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Nil

### Rating History for last three years:

S. No	Name of Instrument/Facilities	Current Rating (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21 Dated: Dec 3, 2020	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2017-18
1.	Cash Credit	Long Term	20.00	IVR BB+(INC) (CE)	IVR BBB /Stable (CE)		

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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.



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**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facility

Name of Facility	Size of Facility (INR Crore)	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Rating Assigned/ Outlook
Long Term Bank Facility – Cash Credit	20.00	-	-	-	IVR BB+(CE) (INC)*

*\*Issuer did not cooperate; based on best available information*

### Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Name of the company	Consolidation Approach
Eros Retail Private Limited	Full Consolidation
Rhea Retail Private Limited	Full Consolidation
Rod Retail Private Limited	Full Consolidation
Cian Retail Private Limited	Full Consolidation
Enki Retail Solutions Private Limited	Full Consolidation
DBL Kidskart Online Private Limited	Full Consolidation
Zigma Processing	Full Consolidation
Kiko Cosmetics Retail Private Limited	Full Consolidation

### Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/DLF-Brands-lenders-feb22.pdf>

### Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).



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